



State of Utah

Department of Natural Resources

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas & Mining

JOHN R. BAZA
Division Director

JON M. HUNTSMAN, JR.
Governor

GARY R. HERBERT
Lieutenant Governor

December 22, 2006

Mr. Clark D. Prothero, contact for,
W.W. Clyde/Obayashi, JV
1275 North Main
Post Office Box 350
Springville, Utah 84663

Subject: Notice of Permit Release and Release of Reclamation Surety, W.W. Clyde/Obayashi, JV, Myrin Ranch Pit, S/013/010, Duchesne County, Utah

Dear Mr. Prothero:

The Myrin Ranch Pit project, file number S/013/010, located in Duchesne County, Utah, has ceased mining activity and reclamation work is complete. The file will now be released.

The Operator, W.W. Clyde/Obayashi, JV, has performed all obligations under the terms of the agreement, and have satisfactorily reclaimed the disturbed lands in accordance with the Notice of Intention to Conduct Mining Operations (NOI) and faithfully performed all requirements according to the Utah Mined Land Reclamation Act, and complied with the rules and regulations adopted in accordance therewith.

Therefore, please find enclosed the original executed documents for permit number S/013/010:

- Attachment B, Surety Bond with Travelers Casualty and Surety Company of America, account number 104433147
- Reclamation contract

If you wish to conduct any future mining related activity in this area, please contact the Division for information on submitting a permit notice and surety prior to creating any disturbance.

If you have any questions or concerns regarding this action, please contact Reclamation Specialist, Mr. Paul Baker (801) 538-5261 or Surety Coordinator, Ms. Beth Ericksen (801) 538-5318. Thank you for your efforts in completing the reclamation work associated with this project.

Sincerely,

John R. Baza
Director

Division of Oil, Gas and Mining

Page 2
W.W. Clyde/Obayashi JV
S/013/010
December 22, 2006

SMW:be:pb

Enc: Attachment B, Surety Bond executed, 104433147, original
Reclamation contract executed, S/013/010, original
Bond release findings, copy
cc: Beth Ericksen DOGM
Paul Baker, DOGM
W. Douglas Snow, Travelers Casualty, 302 West 5400 South #101, Murray, Utah 84107 (w/enc Attachment B, copy)

FORM MR-RC
Revised January 21, 2005
RECLAMATION CONTRACT

File Number S/013/010

Effective Date May 26, 2005

Other Agency File Number n/a

Released
12/22/06
[Signature]

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION of OIL, GAS and MINING
1594 West North Temple Suite 1210
Box 145801
Salt Lake City, Utah 84114-5801
(801) 538-5291
Fax: (801) 359-3940

RECEIVED

MAY 06 2005

RECLAMATION CONTRACT

---ooOoo---

DIV OF OIL GAS & MINING

For the purpose of this RECLAMATION CONTRACT the terms below are defined as follows:

"NOTICE OF INTENTION" (NOI): (File No.) S/013/010
(Mineral Mined) Clay Borrow for earth fill

"MINE LOCATION":
(Name of Mine) Myrin Pit
(Description) 3 Miles south west of Upalco

"DISTURBED AREA":
(Disturbed Acres) 5 acres
(Legal Description) (Refer to Attachment A)

"OPERATOR":
(Company or Name) W.W. Clyde/Obayashi, JV
(Address) H.C. 65 Box 119
Bluebell, Utah 84007
(Phone) (435) 454-4644

"OPERATOR'S REGISTERED AGENT":
Name) Clark D. Prothero

(Address) P.O. Box 350
Springville, Utah 84663
(Phone) (801) 802-6800

"OPERATOR'S OFFICER(S)" & TITLE: Jeffery R. Clyde
Principal

SURETY":
(Form of Surety - Attachment B) Surety Bond

"SURETY COMPANY":
(Name, Policy or Acct. No.) Travelers Casualty and Surety Company
104433147

"SURETY AMOUNT":
(Escalated Dollars) 10,000

"ESCALATION YEAR": 2005

"STATE": State of Utah
"DIVISION": Division of Oil, Gas and Mining
"BOARD": Board of Oil, Gas and Mining

ATTACHMENTS:
A "DISTURBED AREA":
B "SURETY":

This Reclamation Contract (hereinafter referred to as "Contract") is entered into between W.W. Clyde/Obayashi, JV the "Operator" and the Utah State Division of Oil, Gas and Mining ("Division").

WHEREAS, Operator desires to conduct mining operations under Notice of Intention (NOI) File No. S/013/010 which has been approved/accepted by the Utah State Division of Oil, Gas and Mining under the Utah Mined Land Reclamation Act, Sections 40-8-1 et seq., Utah Code Annotated, (1953, as amended) (hereinafter referred to as "Act") and implementing rules; and

WHEREAS, Operator is obligated to reclaim that area described as the Disturbed Area as set forth and in accordance with Operator's approved/accepted Reclamation Plan or Notice, and Operator is obligated to provide surety in form and amount approved by the Division, to assure reclamation of the Disturbed Area.

NOW, THEREFORE, the Division and the Operator agree as follows:

1. Operator agrees to conduct reclamation of the Disturbed Area in accordance with the Act and implementing regulations, the Reclamation Plan and/or Notice of Intention approved/accepted by the Division on March 15, 2005. The Reclamation Plan and/or Notice of Intention, as amended, are incorporated by this reference and made a part hereof.
2. Concurrent with the execution hereof, Operator has provided surety to assure that reclamation is conducted, in form and amount acceptable to the Division. Such surety as evidenced by the Surety Contract is in the form of the surety attached hereto as Attachment B and made a part hereof. The Surety Contract shall remain in full force and effect according to its terms unless modified by the Division in writing. If the Surety Contract expressly provides for cancellation, then, within 60 days following the Division's receipt of notice that the Surety Company intends to cancel the Surety Contract, the Operator shall provide a replacement Surety Contract in a form and amount reasonably acceptable to the Division. If the Operator fails to provide an acceptable replacement Surety Contract, the Division may order the Operator to cease further mining activities and to begin immediate reclamation of the Disturbed Area.
3. Operator agrees to pay legally determined public liability and property damage claims resulting from mining to the extent provided in Section 40-8-7(1)(e) of the Act.
4. Operator agrees to perform all duties and fulfill all reclamation requirements applicable to the mine as required by the Act and implementing rules, the Notice of Intention, as amended and the Reclamation Plan, as amended.
5. The Operator's liability under this Contract shall continue in full force and effect until the Division certifies that the Operator has reclaimed the Disturbed Area in accordance with the Act and implementing rules, the Notice of Intention, as amended and the Reclamation Plan, as amended.
6. If reclamation of discrete sections of the Disturbed Area is completed to the satisfaction of the Division, and the Division finds that such sections are severable from the remainder of the Disturbed Area, Operator may request the Division to certify that Operator has reclaimed such discrete sections of the Disturbed Area in accordance with the Act and Implementing rules, the Notice of Intention, as amended and the Reclamation Plan, as amended. If the Division makes such certification, Operator may make request to the Division that the aggregate face amount of the Surety Contract provided pursuant to paragraph 2 be reduced to an amount necessary to provide for completion of the remaining reclamation. The Division shall hear Operator's request for

such reduction in accordance with the Board's Procedural Rules concerning requests for Agency Action.

7. Operator agrees to indemnify and hold harmless the State, Board and the Division from any claim, demand, liability, cost, charge, suit, or obligation of whatsoever nature arising from the failure of Operator or Operator's agents and employees, or contractors to comply with this Contract.
8. Operator may, at any time, submit a request to the Division to substitute surety. The Division may approve such substitution if the substitute surety meets the requirements of the Act and the implementing rules.
9. This Contract shall be governed and construed in accordance with the laws of the State of Utah.
10. If Operator shall default in the performance of its obligations hereunder, Operator agrees to pay all costs and expenses, including reasonable attorney's fees and costs incurred by the Division and/or the Board in the enforcement of this Contract.
11. Any breach that the Division finds to be material of the provisions of this Contract by Operator may, at the discretion of the Division, result in an order to cease mining operations. After opportunity for notice and hearing, the Board of Oil, Gas and Mining may enter an order to revoke the Notice of Intention, order reclamation, or order forfeiture of the Surety Contract, or take such other action as is authorized by law.
12. In the event of forfeiture of the Surety Contract, Operator shall be liable for any additional costs in excess of the surety amount which are required to comply with this Contract. Any excess monies resulting from forfeiture of the Surety Contract, upon completion of reclamation and compliance with this Contract, shall be returned to the rightful claimant.
13. This Contract including the Notice of Intention, as amended and the Reclamation Plan, as amended, represents the entire agreement of the parties involved, and any modification must be approved in writing by the parties involved.
14. Each signatory below represents that he/she is authorized to execute this Contract on behalf of the named party.

OPERATOR:

W.W. Clyde/Obayashi, Joint Venture

Operator Name

By Jeffery R. Clyde
Authorized Officer (Typed or Printed)

Principal
Authorized Officer - Position

[Signature]
Officers Signature

Date 3/15/05

STATE OF Utah)
COUNTY OF Utah) ss:

On the 15 day of March, 2005, Jeffery R. Clyde
personally appeared before me, who being by me duly sworn did say that he/she is the
Principal of W.W. Clyde/Obayashi, JV and duly acknowledged
that said instrument was signed on behalf of said company by authority of its bylaws or
a resolution of its board of directors and said Jeffery R. Clyde duly
acknowledged to me that said company executed the same.

[Signature]
Notary Public
Residing at Springville, UT

3-30-2008
My Commission Expires:



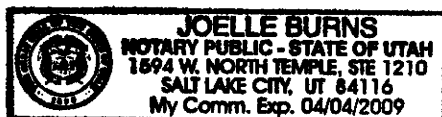
DIVISION OF OIL, GAS AND MINING:

By John R. Baza
John R. Baza, Director

5/26/05
Date

STATE OF Utah)
COUNTY OF Salt Lake) ss:

On the 26th day of May, 2005, John R Baza
personally appeared before me, who being duly sworn did say that he, the said
John R Baza is the Director of the Division of Oil, Gas and Mining,
Department of Natural Resources, State of Utah, and he duly acknowledged to me that
he executed the foregoing document by authority of law on behalf of the State of Utah.



Joelle Burns
Notary Public
Residing at: S L C Utah

April 4, 2009
My Commission Expires:

MAY-10-2005 TUE 04:09 PM C

GAS & MINING

FAX NO. 801 3940

P. 04

ATTACHMENT "A"

W. W. Clyde/Obayashi, JV

Operator

Myrin Pit

Mine Name

S/013/010

Permit Number

Duchesne County, Utah

LEGAL DESCRIPTION

Include 1/4, 1/4, 1/4 sections, townships, ranges and any other descriptions that will legally determine where disturbed lands are located. Attach a topographic map of suitable scale (max. 1 inch = 500 feet; 1 inch = 200 feet or larger scale is preferred) showing township, range and sections and a clear outline of the disturbed area boundaries tied to this Reclamation Contract and surety.

The detailed legal description of lands to be disturbed includes portions of the following lands not to exceed 5 acres under the approved / accepted permit and surety, as reflected on the attached map labeled Attachment C & C-a and dated March 15, 2005:

Portions of the N½ of the NE¼ of the NE¼ of Section 32, Township 2 South, Range 3 West, USM, and portions of the S½ of the SE¼ of the SE¼ of Section 29, Township 2 South, Range 3 West, USM.

I accept the changes

[Signature]

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MAY 11 2005

DIV OF OIL GAS & MINING

ATTACHMENT "A"

W. W. Clyde/Obayashi, JV
Operator

Myrin Pit
Mine Name

S/013/010
Permit Number

Duchesne County, Utah

LEGAL DESCRIPTION

Include 1/4, 1/4, 1/4 sections, townships, ranges and any other descriptions that will legally determine where disturbed lands are located. Attach a topographic map of suitable scale (max. 1 inch = 500 feet; 1 inch = 200 feet or larger scale is preferred) showing township, range and sections and a clear outline of the disturbed area boundaries tied to this Reclamation Contract and surety.

The detailed legal description of lands to be disturbed includes portions of the following lands not to exceed 5 acres under the approved / accepted permit and surety, as reflected on the attached maps labeled Attachment C & C-a and dated March 15, 2005:

A portion of the N $\frac{1}{2}$, of the NW $\frac{1}{4}$, of the NE $\frac{1}{4}$, and of the NE $\frac{1}{4}$ of Section 32, Township 2 South, Range 3 West, USM and a portion of the S $\frac{1}{2}$, of the SW $\frac{1}{4}$, of the SE $\frac{1}{4}$, and of the SE $\frac{1}{4}$ of Section 29, Township 2 South, Range 3 West, USM.

MAY-10-2005 TUE 04:08 PM C

GAS & MINING

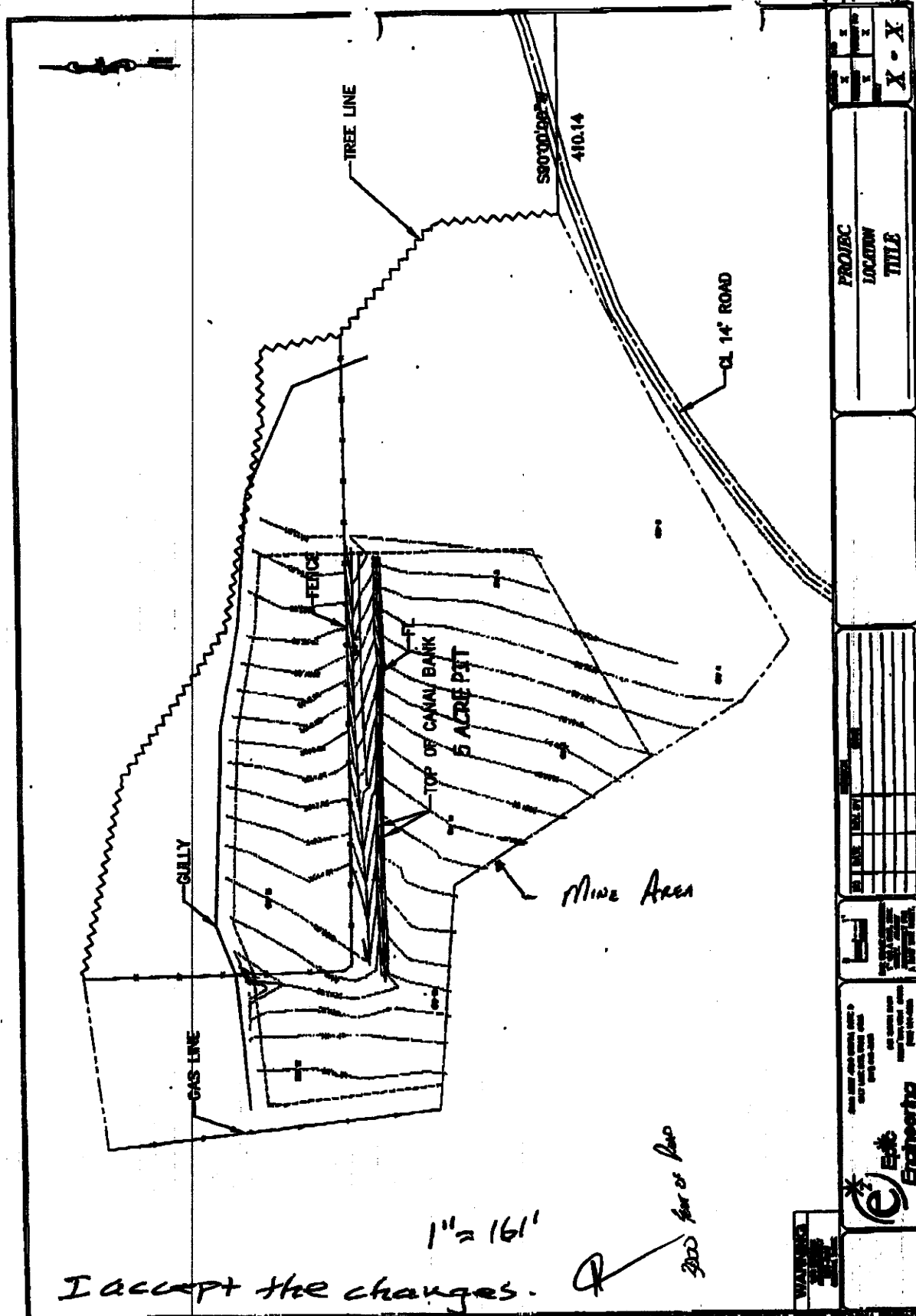
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P. 03

Л/П/А/Ч/М/Б/Т

C-a

03/15/05



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MAY 11 2005

DIV OF OIL GAS & MINING



ATTACHMENT B

FORM MR-5
November 1, 2004

Bond Number 104433147
Permit Number S/013/010
Mine Name Myrin Ranch Pit

Released
12/22/06
KD

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
Division of Oil, Gas and Mining
1594 West North Temple Suite 1210
Box 145801
Salt Lake City, Utah 84114-5801
Telephone: (801) 538-5291
Fax: (801) 359-3940

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MAY 06 2005

DIV OF OIL GAS & MINING

THE MINED LAND RECLAMATION ACT

SURETY BOND

The undersigned W. W. Clyde – Obayashi, A Joint Venture as Principal, and Travelers Casualty & Surety Company of America, as Surety, hereby jointly and severally bind ourselves, our heirs, administrators, executors, successors, and assigns, jointly and severally, unto the State of Utah, Division of Oil, Gas and Mining (Division) in the penal sum of Ten Thousand and no/100 dollars (\$ 10,000.00).

Principal has estimated in the Mining and Reclamation Plan or Notice approved /accepted by the Division on the 15th day of March, 2005, that 5 acres of land will be disturbed by mining operation in the State of Utah.

Described as: A portion of the N ½, of the NW ¼, of the NE ¼, and of the NE ¼ of Section 32, Township 2 South, Range 3 West, USM and a portion of the S ½, of the SW ¼, of the SE ¼, and of the SE ¼ of Section 29, Township 2 South, Range 3 West, USM

The condition of this obligation is that if the Division determines that Principal has satisfactorily reclaimed the disturbed lands in accordance with the approved / accepted Mining and Reclamation Plan or Notice and has faithfully performed all requirements of the Mined Land Reclamation Act, and complied with the Rules and Regulations adopted in accordance therewith, then this obligation shall be void; otherwise it shall remain in full force and effect.

If the Mining and Reclamation Plan or Notice provides for periodic partial reclamation of the disturbed lands, and if the lands are reclaimed in accordance with such Plan or Notice, Act and regulations, then Principal may apply for a reduction in the amount of this Surety Bond.

In the converse, if the Mining and Reclamation Plan or Notice provides for a gradual increase in the area disturbed or the extent of disturbance, then, the Division may require that the amount of this Surety Bond be increased, with the written approval of the Surety.

This bond may be canceled by Surety after ninety (90) days following receipt by the Division and Principal of written notice of such cancellation. Surety's liability shall then, at the expiration of said ninety (90) days, cease and terminate except that Surety will remain fully liable for all reclamation obligations of the Principal incurred prior to the date of termination.

Principal and Surety and their successors and assigns agree to guarantee said obligation and to indemnify, defend, and hold harmless the Division from any and all expenses (including attorney fees) which the Division may sustain in the collection of sums due hereunder.

Surety will give prompt notice to Principal and to the Division of the filing of any petition or the commencement of any proceeding relating to the bankruptcy, insolvency, reorganization, or adjustment of the debts of Surety, or alleging any violation or regulatory requirements which could result in suspension or revocation of the Surety's license to do business.

IN WITNESS WHEREOF, the Principal and Surety hereunto set their signatures and seals as of the dates set forth below.

W.W. Clyde – Obayashi, A Joint Venture
Principal (Permittee)

By: Jeff Clyde


Signature

3/15/05
Date

Surety Company

Travelers Casualty & Surety Company of America
Surety Company Name

302 West 5400 South, #101
Street Address

W. Douglas Snow
Surety Company Officer

Murray, Utah 84107
City, State, Zip

Attorney-In-Fact
Title/Position

801-685-6860
Phone Number

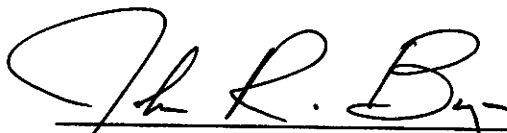

Signature

March 15, 2005
Date

Bond Number 104433147
Permit Number S/013/010
Mine Name Myrin Ranch Pit
Other Agency File Number n/a

SO AGREED this 26th day of May, 20 05.

AND APPROVED AS TO FORM AND AMOUNT OF SURETY:



John R. Baza, Director
Utah State Division of Oil, Gas and Mining

*NOTE: Where one signs by virtue of Power of Attorney for a Surety, such Power of Attorney must be filed with this bond. If the Operator is a corporation, the bond shall be executed by its duly authorized officer.

Bond Number 104433147
Permit Number S/013/010
Mine Name Myrin Ranch Pit
Other Agency File Number n/a

AFFIDAVIT OF QUALIFICATION

On the 15th day of March, 20 05, W. Douglas Snow personally appeared before me, who being by me duly sworn did say that he/she, the said W. Douglas Snow is the Attorney-In-Fact of Travelers Casualty & Surety Company of America and duly acknowledged that said instrument was signed on behalf of said company by authority of its bylaws or a resolution of its board of directors and said W. Douglas Snow duly acknowledged to me that said company executed the same, and that he/she is duly authorized to execute and deliver the foregoing obligations; that said Surety is authorized to execute the same and has complied in all respects with the laws of Utah in reference to becoming sole surety upon bonds, undertaking and obligations.

Signed: [Signature]
Surety Officer

Title: Attorney-In-Fact

STATE OF UTAH)
) ss:
COUNTY OF SALT LAKE)

Subscribed and sworn to before me this 15th day of March, 20 05.

[Signature]
Notary Public
Residing at: WVC

My Commission Expires:

March 19, 2006



TRAVELERS CASUALTY AND SURETY COMPANY OF AMERICA
TRAVELERS CASUALTY AND SURETY COMPANY
FARMINGTON CASUALTY COMPANY
Hartford, Connecticut 06183-9062

POWER OF ATTORNEY AND CERTIFICATE OF AUTHORITY OF ATTORNEY(S)-IN-FACT

KNOW ALL PERSONS BY THESE PRESENTS, THAT TRAVELERS CASUALTY AND SURETY COMPANY OF AMERICA, TRAVELERS CASUALTY AND SURETY COMPANY and FARMINGTON CASUALTY COMPANY, corporations duly organized under the laws of the State of Connecticut, and having their principal offices in the City of Hartford, County of Hartford, State of Connecticut, (hereinafter the "Companies") hath made, constituted and appointed, and do by these presents make, constitute and appoint: W. Douglas Snow, D. Cory Payne, of Murray, Utah, their true and lawful Attorney(s)-in-Fact, with full power and authority hereby conferred to sign, execute and acknowledge, at any place within the United States, the following instrument(s): by his/her sole signature and act, any and all bonds, recognizances, contracts of indemnity, and other writings obligatory in the nature of a bond, recognizance, or conditional undertaking and any and all consents incident thereto and to bind the Companies, thereby as fully and to the same extent as if the same were signed by the duly authorized officers of the Companies, and all the acts of said Attorney(s)-in-Fact, pursuant to the authority herein given, are hereby ratified and confirmed.

This appointment is made under and by Authority of the following Standing Resolutions of said Companies, which Resolutions are now in full force and effect:

VOTED: That the Chairman, the President, any Vice Chairman, any Executive Vice President, any Senior Vice President, any Vice President, any Second Vice President, the Treasurer, any Assistant Treasurer, the Corporate Secretary or any Assistant Secretary may appoint Attorneys-in-Fact and Agents to act for and on behalf of the company and may give such appointee such authority as his or her certificate of authority may prescribe to sign with the Company's name and seal with the Company's seal bonds, recognizances, contracts of indemnity, and other writings obligatory in the nature of a bond, recognizance, or conditional undertaking, and any of said officers or the Board of Directors at any time may remove any such appointee and revoke the power given him or her.

VOTED: That the Chairman, the President, any Vice Chairman, any Executive Vice President, any Senior Vice President or any Vice President may delegate all or any part of the foregoing authority to one or more officers or employees of this Company, provided that each such delegation is in writing and a copy thereof is filed in the office of the Secretary.

VOTED: That any bond, recognizance, contract of indemnity, or writing obligatory in the nature of a bond, recognizance, or conditional undertaking shall be valid and binding upon the Company when (a) signed by the President, any Vice Chairman, any Executive Vice President, any Senior Vice President or any Vice President, any Second Vice President, the Treasurer, any Assistant Treasurer, the Corporate Secretary or any Assistant Secretary and duly attested and sealed with the Company's seal by a Secretary or Assistant Secretary, or (b) duly executed (under seal, if required) by one or more Attorneys-in-Fact and Agents pursuant to the power prescribed in his or her certificate or their certificates of authority or by one or more Company officers pursuant to a written delegation of authority.

This Power of Attorney and Certificate of Authority is signed and sealed by facsimile (mechanical or printed) under and by authority of the following Standing Resolution voted by the Boards of Directors of TRAVELERS CASUALTY AND SURETY COMPANY OF AMERICA, TRAVELERS CASUALTY AND SURETY COMPANY and FARMINGTON CASUALTY COMPANY, which Resolution is now in full force and effect:

VOTED: That the signature of each of the following officers: President, any Executive Vice President, any Senior Vice President, any Vice President, any Assistant Vice President, any Secretary, any Assistant Secretary, and the seal of the Company may be affixed by facsimile to any power of attorney or to any certificate relating thereto appointing Resident Vice Presidents, Resident Assistant Secretaries or Attorneys-in-Fact for purposes only of executing and attesting bonds and undertakings and other writings obligatory in the nature thereof, and any such power of attorney or certificate bearing such facsimile signature or facsimile seal shall be valid and binding upon the Company and any such power so executed and certified by such facsimile signature and facsimile seal shall be valid and binding upon the Company in the future with respect to any bond or undertaking to which it is attached.



IMPORTANT DISCLOSURE NOTICE OF TERRORISM INSURANCE COVERAGE

On November 26, 2002, President Bush signed into law the Terrorism Risk Insurance Act of 2002 (the "Act"). The Act establishes a short-term program under which the Federal Government will share in the payment of covered losses caused by certain acts of international terrorism. We are providing you with this notice to inform you of the key features of the Act, and to let you know what effect, if any, the Act will have on your premium.

Under the Act, insurers are required to provide coverage for certain losses caused by international acts of terrorism as defined in the Act. The Act further provides that the Federal Government will pay a share of such losses. Specifically, the Federal Government will pay 90% of the amount of covered losses caused by certain acts of terrorism which is in excess of Travelers' statutorily established deductible for that year. The Act also caps the amount of terrorism-related losses for which the Federal Government or an insurer can be responsible at \$100,000,000,000.00, provided that the insurer has met its deductible.

Please note that passage of the Act does not result in any change in coverage under the attached policy or bond (or the policy or bond being quoted). Please also note that no separate additional premium charge has been made for the terrorism coverage required by the Act. The premium charge that is allocable to such coverage is inseparable from and imbedded in your overall premium, and is no more than one percent of your premium.

5/013/010

RECEIVED

MAY 06 2005

DIV OF OIL GAS & MINING

DUAL OBLIGEE RIDER

To be attached to and form a part of Performance Bond
No. 104433147

executed concurrently with this rider, it is agreed that:

TRAVELERS CASUALTY AND SURETY COMPANY OF AMERICA, Surety, and

W.W. Clyde - Obayashi, A Joint Venture, Principal,
for valuable consideration, hereby agree that the Performance Bond executed in favor of

State of Utah, Division of Oil, Gas and Mining (Division), Obligee,
in connection with a contract for: RECLAMATION

which bond and contract are made a part of hereof by reference, shall now include as an additional Obligee:

Duchesne County, Utah

in its capacity as Governing Jurisdiction for the aforementioned project.

The Surety shall not be liable under this bond to the Obligees, or either of them, unless the said Obligees, or either of them, shall make payments to the Principal or to the Surety, in case the Surety arranges for the completion of the contract upon default of the Principal, strictly in accordance with the terms of said contract as to payments, and shall perform all the other obligations to be performed under said contract at the time and in the manner therein set forth.

In no event shall the Surety be liable in the aggregate to both Obligees for more than the penal sum of its Performance Bond, nor shall it be liable except for a single payment for each single breach or default. At the Surety's election, any payment due to either Obligee may be made by its check issued jointly to both.

WITNESS the following signatures and seals this 15th day of March, 2005.

TRAVELERS CASUALTY AND SURETY COMPANY OF AMERICA

By: [Signature]
W. Douglas Snow Attorney-in-Fact

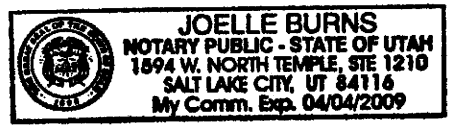
W.W. Clyde - Obayashi, A Joint Venture
(Principal)

Attest: [Signature]
By: [Signature]

Utah State Division of Oil, Gas & Mining
(Obligee)

Attest: [Signature]
By: [Signature]
Duchesne County

Attest: [Signature]
By: [Signature]
(Dual Obligee)



Bond Release Findings

Released

12/22/06

Mine Name: Myrin Clay Pit
Operator: W. W. Clyde/Obayashi JV
1275 N. Main
P. O. Box 350
Springville, Utah 84663

I.D. No.: M0130010
Mineral Ownership: Fee
Surface Ownership: Fee
Permit Term: Notice found complete and surety
approved in 2005

Disturbed Area: 5 acres

Regraded: 5 acres

Reseeded: 5 acres

Acres Bonded: 5 acres

Acres Proposed for Release: 5 acres

Surety

Amount: \$10,000.00

Form: Corporate Surety

Renewable Term: N/A

Setting and Premining Environment

The mine site is located near the town of Upalco in Duchesne county. The area contains scattered alfalfa fields, pastures, water courses, houses, and a few areas that are relatively undisturbed. The topography of the site is flat. Near the mine are flat areas at various levels with steep bluffs between the levels. Soils are very clayey (the site was mined for clay). There was little vegetation prior to mining, but surrounding areas have pasture and alfalfa.

Operations

The operator mined clay for expansion of the Big Sand Wash Reservoir dam. Most of this work was done in the summer and fall of 2005. Material was loaded with a trackhoe into belly dump trucks for transport to the dam site. There were no surface facilities.

Hole Plugging

A few shallow holes were drilled prior to mining, but the operator mined through these holes.

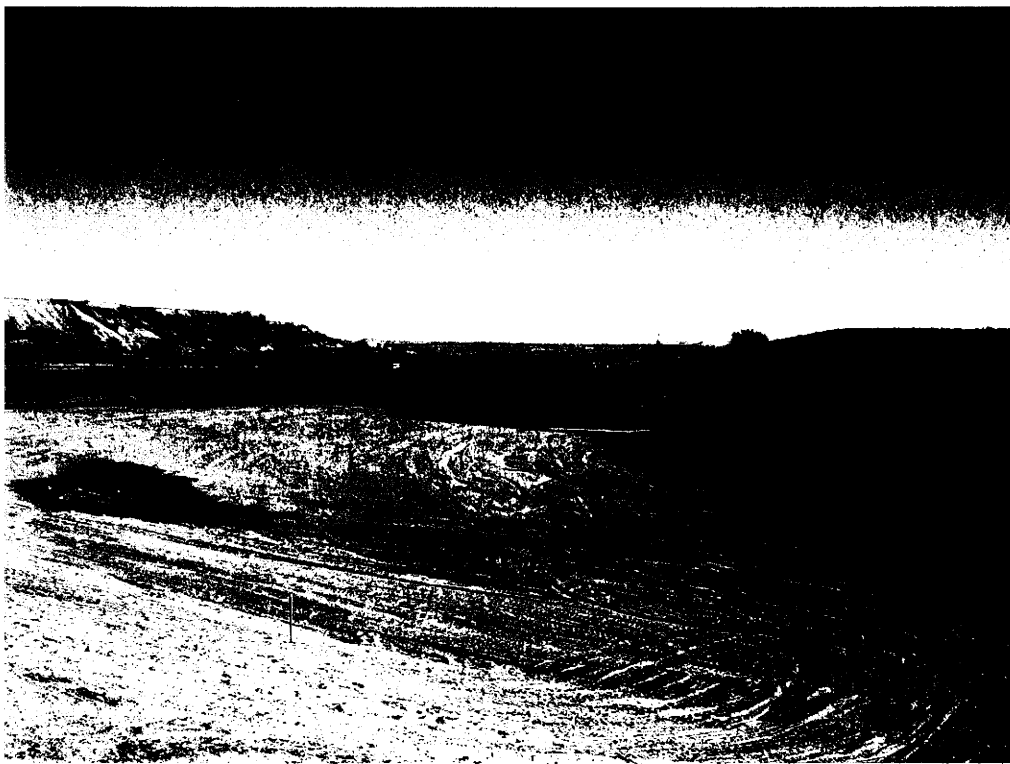
Reclamation

The operator and the land owner agreed before mining commenced concerning the configuration of the reclaimed pit. The operator left the pit in a condition suitable for development as an irrigation pond, and the landowner has been installing pipes to complete this development. Considering the uses of adjacent lands for agriculture and also considering the shape of the pit following mining, this appears to be the best use of the land. It would be nearly impossible to raise crops or to graze livestock within the pit.

Mine Engineering

The pit slopes are shallow enough that a person or animal entering the pit would be able to escape. Escape would be more difficult when the clay is wet but not because the slopes are too steep. Since the pond is completely incised, there should be no danger of failure.

No deleterious materials were used in the mining operations, and I do not foresee any other public safety or engineering issues.



Hydrology

Adjacent drainages were not affected by the mine.

As discussed above, the pit is being developed as an irrigation pond for which there is a legitimate postmining land use.

Revegetation

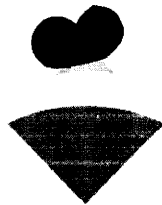
Because the pit was developed as a pond, no revegetation is required. The site meets the postmining land use of agriculture.

Recommendation

I recommend that the surety be fully released.

REB RE
Inspector

12/1/06
Date



OBAYASHI

RECEIVED

APR 08 2005

LETTER OF TRANSMITTAL

W.W. Clyde/Obayashi, JV

HC 65 Box 119
Bluebell, Utah 84007
435-454-4644 / fax 435-454-4648

To: State of Utah
Department of Natural Resources
Division of Oil, Gas, and Mining
1594 West North Temple, Suite 1210
Box 145801
Salt Lake City, Utah 84114-5801

| | | | |
|---|----------|---------|--------|
| DATE | 04-04-05 | JOB NO. | WCO 10 |
| WWC MEMO NO. | | | |
| WCO 10- 631 | | | |
| ATTENTION | | | |
| Paul Baker | | | |
| RE: Big Sand Wash Reservoir Enlargement | | | |
| Contract No. C-2003-02, Section 203(a) | | | |
| | | | |
| | | | |

WE ARE SENDING ☒ Attached ☐ Via Fax ☐ Via Fax (hard copy to follow)

☐ Shop Drawings ☐ Submittals ☐ Plans ☐ Samples ☐ Specifications
☐ Copy of Letter ☐ Change Order ☐ Electronic Data ☐ Proposal ☐

| COPIES | DATE | NO. | DESCRIPTION |
|--------|----------|-----|--|
| 1 | 04-04-05 | 1 | Reclamation Contract for Giles Pit |
| 1 | 04-04-05 | 2 | Surety Bond and Oblige Rider for Giles Pit |
| | | | |
| | | | |
| | | | |
| | | | |

THESE ARE TRANSMITTED as checked below:

☐ For approval ☐ Approved as submitted ☐ Resubmit ____ copies for approval
☐ For your use ☐ Approved as noted ☐ Submit ____ copies for distribution
☐ As requested ☐ Returned for corrections ☐ Return ____ corrected prints
☐ For review and comment ☐ Prints returned ☐ For bids due ____
☐ Resubmitted for approval ☐ Resubmitted as requested ☐ Other ____

Remarks: Paul,

Please find attached the remaining items needed to get our permit for the Giles pit, S/013/009.

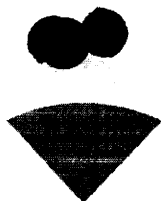
Call or email if you need any additional information or corrections made. Thank You.

AN EQUAL OPPORTUNITY EMPLOYER

Copy: Springville Office
WCO Office Copy

Signed:

Clark D. Prothero, P.E. Project Manager



OBUYASHI

W.W. Clyde/Obayashi, JV

HC 65 Box 119
Bluebell, Utah 84007
435-454-4644 / fax 435-454-4648

To: State of Utah
Department of Natural Resources
Division of Oil, Gas, and Mining
1594 West North Temple, Suite 1210
Box 145801
Salt Lake City, Utah 84114-5801

RECEIVED

MAY 06 2005

DIV OF OIL GAS & MINING

LETTER OF TRANSMITTAL

| | | | |
|---|----------|---------|--------|
| DATE | 05-06-05 | JOB NO. | WCO 10 |
| WWC MEMO NO. WCO 10- 677 | | | |
| ATTENTION Paul Baker | | | |
| RE: Big Sand Wash Reservoir Enlargement | | | |
| Contract No. C-2003-02, Section 203(a) | | | |
| | | | |
| | | | |

WE ARE SENDING ☒ Attached ☐ Via Fax ☐ Via Fax (hard copy to follow)

☐ Shop Drawings ☐ Submittals ☐ Plans ☐ Samples ☐ Specifications
☐ Copy of Letter ☐ Change Order ☐ Electronic Data ☐ Proposal ☐

| COPIES | DATE | NO. | DESCRIPTION |
|--------|----------|-----|---|
| 1 | 05-06-05 | 1 | Reclamation Contract for Myrin Pit with Surety Bond and Map |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |

THESE ARE TRANSMITTED as checked below:

| | | |
|---|---|--|
| <input type="checkbox"/> For approval | <input type="checkbox"/> Approved as submitted | <input type="checkbox"/> Resubmit ____ copies for approval |
| <input type="checkbox"/> For your use | <input type="checkbox"/> Approved as noted | <input type="checkbox"/> Submit ____ copies for distribution |
| <input type="checkbox"/> As requested | <input type="checkbox"/> Returned for corrections | <input type="checkbox"/> Return ____ corrected prints |
| <input type="checkbox"/> For review and comment | <input type="checkbox"/> Prints returned | <input type="checkbox"/> For bids due ____ |
| <input type="checkbox"/> Resubmitted for approval | <input type="checkbox"/> Resubmitted as requested | <input type="checkbox"/> Other ____ |

Remarks: Paul,

Please find attached the remaining items needed to get our permit for the Myrin pit, S/013/010.

Call or email if you need any additional information or corrections made. Thank You.

AN EQUAL OPPORTUNITY EMPLOYER

Copy: Springville Office
WCO Office Copy

Signed: _____

Clark D. Prothero, P.E. Project Manager

Disturbance is in

T 2 S R 3 W 45M

Sect. 29 S $\frac{1}{2}$ SE $\frac{1}{4}$ SE $\frac{1}{4}$

Sect 32 N $\frac{1}{2}$ NE $\frac{1}{4}$ NE $\frac{1}{4}$

The surety contract land description identifies 'portions' of ten acres. It appears WW Clyde is mining five acres as shown on Attachment C-a. I can't confirm the five acres is the 'portion' of the ten that he is bonded for since attachment C-a doesn't have location specifications. However, attachment C identifies the mine area, therefore we can assume the five acres as shown on attachment C-a is within the bonded land area description.